

# Financial Aid News

## WASHINGTON HIGHER EDUCATION COORDINATING BOARD

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### Financial Aid News EXTRA – March 30, 2005

#### Washington state Senate budget is released Significant differences from governor's proposal

The Senate Ways and Means Committee yesterday approved its version of the state 2005-07 operating budget, which contains significant changes in higher education funding from the proposal issued last week by Governor Gregoire.

#### Some highlights:

The Senate proposal would increase tuition each year by up to 7 percent at research universities, 6 percent at comprehensive universities and The Evergreen State College, and 5 percent at community and technical colleges. The governor's budget capped the increases at 5 percent for four-year institutions and 3 percent for the two-year colleges.

In the area of financial aid, the Senate budget would provide the largest infusion of new funds—\$108 million—in the 35-year history of the State Need Grant (SNG) program. It also would eliminate the Promise Scholarship (after allowing second-year grants to 2004 high school graduates) and adjust other program funding to reflect tuition and enrollment increases. Governor Gregoire called for a \$23 million SNG increase and the continuation of the Promise Scholarship.

Under the Senate SNG proposal, students would be eligible for grants if their family income did not exceed 70 percent of the state median. For a family of four, the cutoff would rise to approximately \$48,500 per year, compared with this year's level of about \$38,000. The increase also accommodates the Senate's proposed tuition increases and new enrollments, but does not increase individual awards as a percent of tuition.

The State Work Study program would receive a \$2.9 million increase, while the Washington Scholars and WAVE programs would share a \$614,000 increase.

The House of Representatives Appropriations Committee is expected to release its own budget proposal next week. Once the full House and Senate have approved their respective budgets, legislative leaders will attempt to negotiate a consensus package that could earn Governor Gregoire's approval.

The Senate's budget can be viewed online at:

<http://leap.leg.wa.gov/leap/budget/detail/2005/so0507p.asp>.

## 2005-07 Budget Proposal Comparison

Program / Expenditure	Senate Proposed Budget	Governor's Proposed Budget
<b>Budgets based on tuition increases of:</b>	7% Research Universities 6% Comprehensives & TESC 5% Comm. and Tech. Colleges	5% Four-year schools 3% Two-year schools
<b>State Need Grant</b>	\$108 million increase raises eligibility to 70 percent MFI and accommodates tuition increases and new enrollments.	\$23.1 million increase adjusts awards to keep pace with tuition increases.
<b>State Work Study</b>	\$2.9 million to keep pace with tuition increases and partially restore to historic service level.	\$2.8 million to keep pace with tuition increases.
<b>Promise Scholarship</b>	Eliminated.	Individual awards increased from \$1,176 to \$1,200.
<b>Washington Scholars and WAVE</b>	\$614,000 increase maintains awards at 100 percent of tuition.	\$400,000 increase maintains awards at 100 percent of tuition.
<b>Enrollments (over 2 yrs):</b>		
<b>Four-year general</b>	4,000 (70% reserved for CTC transfer students.)	2,858
<b>Two-year general</b>	3,143	3,443
<b>Four-year high demand</b>	32	32
<b>Two-year high demand</b>	977	100

Should the Senate's State Need Grant funding proposals be adopted, the following chart would be used for determining median family income for the purpose of aid eligibility:

<b>2005-2006 MFI Ranges</b>				
Rounded (nearest \$500)				
<b>Family size</b>	<b>70%</b>	<b>65%</b>	<b>55%</b>	<b>50%</b>
1	25,000	23,500	20,000	18,000
2	33,000	30,500	26,000	23,500
3	40,500	37,500	32,000	29,000
4	48,500	45,000	38,000	34,500
5	56,000	52,000	44,000	40,000
6	64,000	59,500	50,000	45,500
7	65,500	60,500	51,500	46,500
8	67,000	62,000	52,500	47,500
9	68,000	63,500	53,500	48,500
10	69,500	64,500	55,000	50,000
11	71,000	66,000	56,000	51,000
12	72,500	67,500	57,000	52,000
13	74,000	68,500	58,000	53,000
14	75,500	70,000	59,500	54,000
15	77,000	71,500	60,500	55,000
16	78,500	73,000	61,500	56,000
17	80,000	74,000	62,500	57,000
18	81,500	75,500	64,000	58,000
19	82,500	77,000	65,000	59,000
20	84,000	78,000	66,000	60,000